PROPOSAL TO CONDUCT An INFORMATION TECHNOLOGY OPERATIONAL EFFICIENCY AUDIT

JULY 16, 2025 Revised

NORTH RICHLAND HILLS, TEXAS

MATRIX
CONSULTING GROUP

Jennipher Castellanos, Manager of Strategic Initiatives
City of North Richland Hills
4301 City Point Avenue
North Richland Hills, TX 76180

Dear Ms. Castellanos:

Matrix Consulting Group, Ltd. is pleased to provide the City of North Richland Hills with this revised proposal to conduct an Information Technology Operational Efficiency Audit. Our proposal is based on the initial Request for Proposal (RFP) issued by the City, our discussion with City staff regarding current needs, and our national experience conducting similar projects. We are uniquely qualified for the following reasons:

· **Our dedicated information technology team is highly skilled and recognized as industry experts in evaluating local government operations.** Our team includes highly experienced local government management consultants who have worked together on numerous engagements and the former IT Director for Salt Lake City.

· **Understanding of local government information technology services and infrastructure.** Our project portfolio includes over 1,800 studies in every functional area of government. Our team has extensive experience developing assessments and strategic plans for information technology, including comprehensive evaluations of information technology in Brea (CA), Concord (CA), Edmund (OK), Riverside (CA), Salt Lake City (UT), Sunnyvale (CA) and Tiburon (CA).

· **Experience in the State of Texas.** Our firm has completed more than 60 studies for Texas municipalities in the last decade, including the communities of Addison, Austin, Dallas, Denton, Flower Mound, Fort Worth, Kyle, New Braunfels, Schertz, and Southlake.

· **Innovative Thinking.** We are proud to be regarded as industry specialists who tailor our recommendations to each client's unique needs. Our recommendations are designed to meet your organizational culture, service delivery needs, and service levels.

As the firm's President, I am authorized to negotiate on its behalf and bind it contractually. I can be reached at 650-858-0507 or via email at apennington@matrixcg.net. On behalf of the firm, I look forward to discussing our proposal, project team, and experience with you and the opportunity to work with the City of North Richland Hills.

ALAN D. PENNINGTON
President
Matrix Consulting Group, Ltd.

TABLE OF CONTENTS

DEMONSTRATED EXPERIENCE, QUALIFICATIONS, AND REPUTATION

This section of our proposal demonstrates that our firm has the qualifications and experience to complete the City's requested Scope of Work.

FIRM OVERVIEW

Matrix Consulting Group, Ltd. is a management consulting firm dedicated to providing quality analytical, evaluation, support, and training assistance to local government. Our company was formed by experienced consultants to pursue an operating model in which analytical work is performed by senior-level staff. Our firm can be summarized as follows:

- We are a California-based firm that provides management consulting services throughout the United States and Canada. We were incorporated in 2003 and are registered to conduct business in Texas.

- We are headquartered in San Mateo and have regional offices in Trophy Club (TX), Charlotte (NC), Edwardsville (IL), the Tampa (FL) area, Portland (OR), and Nova Scotia, Canada.

- We are comprised of 30 full-time and seven part-time highly experienced management consultants who specialize in analyzing local government functions encompassing the entire spectrum of critical operational areas.

- Since our founding, we have worked with over 1,800 government agencies, conducting management studies and cost-of-service evaluations and providing recommendations for operations, improvements, and cost recovery.

- We take a holistic approach to evaluating operations, processes, policies, and resource needs to provide efficient and effective services to both the public and internal customers.

- We have dedicated consultants, including the former IT Director for Salt Lake City, who work as one project team on all IT projects. This consistency in the team ensures a well-coordinated process and engagement.

We have dedicated experts in government internal service functions including information technology. The following outlines the core service areas of our firm:

Administrative Services	Fire and EMS
Community Development	Fleet Management
Diversity, Equity and Inclusion	Law Enforcement
Facilities and Space Planning	Permitting
Information Technology	Sustainability

INFORMATION TECHNOLOGY AUDIT EXPERIENCE

Our firm and project team have conducted numerous dedicated assessments of information technology departments or core IT systems for operational departments, including for the following clients:

Brea, California	Riverside, California
Concord, California	Sacramento Sanitary Sewer, California
Edmond, Oklahoma	Salt Lake City, Utah
Irvine, California	Spokane, Washington
Redding, California	Tiburon, California

REGIONAL EXPERIENCE

We have completed more than 80 projects for municipalities across Texas. The table below shows projects completed since 2019.

Year	Client	Project
Current	Duncanville	Police and Fire Staffing Study
2024	Addison	Facility Maintenance, Police, and Fire Operational Assessments
2024	Dallas	Development Services Implementation; Cost Allocation Plan
2024	Frisco	Fire Standard of Cover
2024	New Braunfels	Staffing Study
2024	Pearland	9-1-1 Study
2024	Prosper	Development Review Process Study
2024	San Marcos	Staffing Study
2023	Addison	Staffing and Operations Study; Cost of Service Study
2023	Dallas	Cost Allocation Plan
2023	DeSoto	Fire Staffing and Operational
2023	Georgetown	Staffing and Operations Study
2023	Kyle	Staffing and Operations Study
2023	Parker County	Emergency Communication Staffing Study
2023	Round Rock	Fire Standard of Cover
2023	Travis County	Jail Operational Assessment and Staffing; Fire Fees (Travis Co. ESD12)
2022	Burleson	Police Staffing and Facilities Study
2022	Cedar Park	Fire Department Study
2022	Dallas	Cost Allocation Plan
2022	Dallas	Development Services Audit
2022	Denton	Cost of Services Study; Development Fee Study; Fleet Follow-up
2022	DeSoto	Fire Department Study
2022	Fort Worth	Police Study Update
2022	Texas City	Police Study
2021	Boerne	Police Study
2021	Buda	Police Study
2021	Cedar Hill	Police and Fire Study
2021	Dallas	Cost Allocation Plan
2021	Fair Oaks Ranch	Police Study
2021	Keller/Westlake	Fire Consolidation Study

Year	Client	Project
2020	Bellaire	Cost Allocation Plan; User Fee Study
2020	Bexar County	Fleet Study
2020	Dallas	Cost Allocation Plan
2020	DFW Int. Airport	Shift Optimization Study
2019	Dallas	Cost Allocation Plan
2019	Denton	Fleet Study

Details about any project listed are available upon request.

FIRM LOCATIONS

Matrix Consulting Group is an international firm (United States and Canada). The consultants engaged in this project are based in Illinois, Tennessee, Colorado, and Utah.

CLIENTS SERVED

A summary of recent projects, including some or all elements of this scope, is shown below.

Client Info	Project Summary
Riverside, CA February 2021 - October 2021 George Khalil Chief Innovation Officer gkhalil@riversideca.gov 951.826.5734	**Performance and Financial Review of the Innovation and Technology Department:** This comprehensive assessment of the Innovation and Technology Department focused on the evaluation of operational practices, staffing requirements, and technology support provided to the entire organization. At the time of the study, the Department had recently transitioned from primarily a contracted IT operation to an in-house function. This assessment was focused on ensuring that operations were aligned with the organizational needs and that staffing was sufficient to meet service expectations.
Lee's Summit, MO April 2023 - Present Teresa Wright Asst. Director of Mgmt. Services teresa.wright@cityoflas.net 816.969.1280	**Management Audit of City Equipment Replacement Programs:** This project focused on conducting a detailed operational review of select internal service funds, including information technology, to ensure that best practices were being followed for operational needs, service levels were defined and appropriate for the organization, and that internal charges were services were appropriate to cover cost of service provision. This assessment not only identified operational improvements needed to enhance services but established appropriate service level to customers.

Client Info	Project Summary
Takoma Park, MD December 2021 - June 2022 **Organizational Assessment** (December 2021 - June 2022) Jamal Fox Former City Manager, now Deputy Director, OR Dept. of Veteran's Affairs 503.373.2383 Jamal.T.Fox@odva.oregon.gov	This study was a comprehensive organizational assessment covering all City departments including organizational structure, operational practices and staffing requirements. A key and relevant methodology utilized in this study was conducting the evaluation to align with previously adopted City plans and studies and to integrate the Council's desire for highly inclusive programs and services to meet the diverse needs and expectations of the community. Key recommendations included restructuring of administration functions, establishing an enhanced staffing model for Information Technology, establishing service levels for key services provided to operational departments, and better defining the role of IT in establishing software standards and support for implementation of software systems by operating departments.
Brea, CA November 2016 - July 2017 Randy Hornsby, IT Director randyh@ci.brea.ca.us 714.990.7263	**Information Technology Governance and Costing Model:** The City of Brea has been an innovator in service delivery for many years. It provides information technology and support not only internally but to many of the other cities, districts and not for profits in the area. There were several concerns in this service delivery – governance ensuring that customers were 'heard' and internally to ensure that the City was not subsidizing these external customers. This study developed an evaluation of the technology, developed a plan, a costing model and an approach to governance.
St. Cloud, Florida April 2020 - February 2021 Veronica Miller, City Manager vmiller@stcloud.org 407.957.7301	**Organizational Assessment:** The Matrix Consulting Group conducted a comprehensive organizational assessment for the City of St. Cloud, Florida. This assessment included a comprehensive review of each department including technology needs and utilization. In addition to numerous staffing allocation changes, we recommended service level agreement adoption for IT, and enhanced project management practices to support technology implementations.

Details about any project listed are available upon request.

PROJECT TEAM

The consultants proposed for this engagement have broad experience analyzing local government information technology operations and cost allocation.

```
                    ┌─────────────────────┐
                    │  Alan Pennington    │
                    │     President       │
                    │  Project Manager    │
                    └─────────────────────┘
           ┌──────────────┼──────────────┐
  ┌────────────────┐ ┌────────────────┐ ┌────────────────┐
  │  Bill Haight   │ │  Joe McDonald  │ │ Jaymee Westover│
  │Technical Advisor│ │Senior Consultant│ │Senior Consultant│
  │   IT Analyst   │ │    Analyst     │ │    Analyst     │
  └────────────────┘ └────────────────┘ └────────────────┘
```

PROJECT TEAM RESUMES

Resumes of all project team members and their level of involvement and time commitment appear below.

Alan Pennington
President

BIOGRAPHY:

Alan Pennington is President of the Matrix Consulting Group and leads our General Consulting Practice which includes organization-wide assessments and operational and organizational studies for all non-public safety functions. His primary expertise is in Administrative Services, Community Development, Finance, Human Resources, Information Technology, Procurement, Public Works and Parks and Recreation. He has served as the Project Manager or Lead Analyst on over 400 local government studies since joining the firm.

EXPERIENCE HIGHLIGHTS:

TIGARD, OR: OPERATIONAL AND ORGANIZATIONAL REVIEW

Alan was the Project Manager on this audit for the City of Tigard that evaluated all operational aspects of the City and included the development of a staffing model based upon adjusted services and service levels, recommendations for operational improvements, and the development of performance indicators for each functional area. He served as lead analyst for Information Technology. This study was undertaken in advance of a ballot measure to increase funding to support required municipal operations.

RIVERSIDE, CA: OPERATIONAL AND ORGANIZATIONAL REVIEWS

Alan was the Project Manager Bill on this comprehensive assessment of the City's Information Technology Department which developed a new organizational structure and staffing allocations to align resources with service demands. Additionally, he evaluated technology infrastructure and deployment and made recommendations to enhance technology utilization, enhance software implementation practices, and increase oversight and training of decentralized systems.

ROLE ON THIS ENGAGEMENT:

Alan will serve as the Project Manager. He will be involved in all project stages.

RELEVANT CLIENTS:

```
CA Brea
CA Rancho Mirage
CA Riverside
CO Fort Morgan
FL St. Cloud
GA DeKalb County
IL Orland Park
IL Tinley Park
MD Montgomery County
MD Takoma Park
MI Portage
MO Lee's Summit
MO Jefferson City
MO Joplin
NC Waxhaw
NH Carroll County
NJ Franklin Township
OR Tigard
PA Mt. Lebanon
TX Schertz
UT Salt Lake County
VT Montpelier
```

YEARS OF EXPERIENCE:

18

EDUCATION:

BA, University of Maine, Public Management

MPA, University of Maine

PROFESSIONAL ASSOCIATION:

Association of Local Government Auditors (ALGA)

Government Finance Officers Association (GFOA)

International City-County Management Association (ICMA)

WILLIAM HAIGHT
Technical Advisor

BIOGRAPHY:

William "Bill" Haight is an IT Analyst/Technical Advisor with our firm and provides a wide array of information technology background and support. William Haight is an experienced information technology manager and analyst. Mr. Haight has over 30 years of experience working in the public sector at the federal, county, and municipal level specializing in IT strategies, organizational structure, and application design and development. Most recently, Mr. Haight served as the Director of Cloud Business for SunGard Public Sector, (now CentralSquare Technologies), where he led a team working with local governments in migrating their systems to the cloud. Prior to this, he served as Chief Information Officer for the City of Salt Lake City, UT. Notable accomplishments include:

- Established Division of Innovation and Transformation to bring more creative and cutting-edge technologies to bear on social, civic, and operational challenges.

- Established Open Data Policies and Procedures for the City with the goals of increasing transparency and trust in government and decrease the number of governmental records requests.

- Implemented formal IT governance to Salt Lake City's IT Dept.

- Developed and administered the City's Information Technology Master Plan and Strategic Master Plan

EXPERIENCE HIGHLIGHTS:

RIVERSIDE, CA: IT DEPARTMENT REVIEW

Bill served as the lead analyst in this comprehensive assessment of the City's Information Technology Department which developed a new organizational structure and staffing allocations to align resources with service demands. Additionally, he evaluated technology infrastructure and deployment and made recommendations to enhance technology utilization, enhance software implementation practices, and increase oversight and training of decentralized systems.

ROLE ON THIS ENGAGEMENT:

Bill will serve as the Lead Analyst and IT technical advisor.

RELEVANT CLIENTS:

CA Riverside
MO Lee's Summit

YEARS OF EXPERIENCE:

30

EDUCATION:

Western Governors University, studied Business Administration and Management

Mountainwest College, Associates, Systems Program

JOE MCDONALD
Senior Consultant

Joe McDonald has served as an analyst on a wide variety of engagements, ranging from community development departments to fleet management. Joe assists in developing client surveys, documenting current and future workflows, and assists senior staff in conducting interviews, performing data analysis, and preparing client deliverables.

EXPERIENCE HIGHLIGHTS:

LEE'S SUMMIT: ORGANIZATIONAL ASSESSMENT

On this project, Joe served as a key member of the project team evaluating IT operational needs of City departments and assisted with the evaluation of IT staffing requirements, service levels, and operational standards. Key recommendations included modifications to operational practices to enhance service provision, establishment of service level agreements and metrics, and a rate structure to support the resources needs of IT operations.

ROCKLIN, CA: COMMUNITY DEVELOPMENT DEPARTMENT ORGANIZATIONAL ASSESSMENT

Joe supported senior project team members in the following areas:

- Facilitated the process mapping workshops to document development review, permitting, and inspection processes.
- Responsible for the customer survey outreach and analysis. Identified key strengths and challenges with the current operational approaches.
- Conducted a comparative survey with eight peer communities to understand their organizational structure, staffing approaches, and technology utilization.

ROLE ON THIS ENGAGEMENT:

Joe will serve as an analyst on this engagement.

RELEVANT CLIENTS:

AZ Buckeye
CA El Segundo
CA Fresno
CA Milpitas
CA Redlands
CA Riverside
CO Aurora
CO Westminster
FL Broward Sheriff
FL Fort Myers
FL Seminole Tribe
GA DeKalb County
IL Chatham
IL Tinley Park
NC Rowan County
NY Albany
OR Tigard
TX Dallas
TX Flower Mound

YEARS OF EXPERIENCE:
4

EDUCATION:

BS, University of Southern California; Policy, Management, and Planning

MPA, California State University, Fullerton

PROFESSIONAL ASSOCIATION:

American Public Works Association (APWA)

Association of Public Safety Communications Officials (APCO)

JAYMEE WESTOVER, CGFM
Senior Consultant

BIOGRAPHY:

Ms. Westover is an analyst in the Financial Services group. She works primarily on cost allocations plan, user fee, development impact fee, and cost-of-service engagements.

Jaymee's relevant experience includes:

- Local government accounting and financial process improvement.
- Financial data analysis, including narrative analysis; comparative studies; and legal and regulatory compliance.
- Over 20 cost-of-service and cost allocation studies for clients across the United States.

EXPERIENCE HIGHLIGHTS:

KNOXVILLE, TN: FINANCIAL ANALYST (ACCOUNTANT)

Jaymee served as financial analyst and accountant. In this position, she evaluated and improved internal processes relating to accounts payable and receivable, grants management, budgeting, and month-end reconciliations.

CHARLOTTE, NC: COST ALLOCATION PLAN ENGAGEMENT

Jaymee served as a project analyst on this engagement. She participated in interviews to understand client needs and collect relevant metrics. She worked with the project team to input data into an internally developed cost allocation model and develop an OMB-Compliant Cost Allocation Plan for the City.

THOUSAND OAKS, CA: COST ALLOCATION PLAN AND FEE STUDY

Jaymee supported senior staff in collecting and analyzing data for both a cost allocation plan and a fee study, including estimates of staff effort. She also developed hourly rates and clarified the cost of providing selected services for the City. As part of this effort, she researched legal restrictions on specified fees to ensure compliance.

ROLE ON THIS ENGAGEMENT:

Jaymee will serve as an Analyst for cost allocation.

RELEVANT CLIENTS:

AK, Juneau
AZ, Scottsdale
CA, Banning
CA, Butte Co.
CA, Elk Grove
CA, Monterey Co.
CA, Orange
CA, Palo Alto
CA, Piedmont
CA, Port of LA
CA, Poway
CA, Santa Clara Co.
CA, Sonoma
CA, Thousand Oaks
FL, Alachua Co.
FL, Miami Beach
FL, Osceola Co.
HI, Maui Co.
NC, Charlotte
TX, Dallas

YEARS OF EXPERIENCE:

3

EDUCATION:

B.A., Vanderbilt University, Political Science

M.A., University of Tennessee – Knoxville, Public Policy and Administration

PROFESSIONAL ASSOCIATIONS:

Association of Governmental Accountants (AGA)

STAFF CAPACITY

All proposed staff are available to work on this engagement as needed. The following table summarizes our team's availability during the project's lifespan (March 2025 – March 2026). We manage our staff allocations through Forecast, a project management software.

Name	Aug	Sep	Oct	Nov	Dec
Pennington	30%	30%	40%	40%	45%
Haight	40%	45%	50%	50%	55%
McDonald	30%	35%	40%	45%	50%
Westover	30%	30%	30%	40%	40%

SPECIAL QUALIFICATIONS

Matrix Consulting Group sets itself apart in the industry by involving senior-level staff throughout the engagement. This includes company leadership (Alan Pennington) serving as the project manager for this engagement. The proposed project team has collaborated on several similar engagements and includes the former IT Director for Salt Lake City. Our extensive work with over 1,800 clients covering all operational facets of local governments provides our team with a detailed understanding of IT Department operations and the unique needs of each functional area related to technology support and integration in their daily operations.

WORK SAMPLE

The link below provides access to the final report for the City of Riverside Performance Assessment and Financial Review of the Innovation and Technology Department.

https://drive.google.com/file/d/1X1RgKLYJZgVBYwMka_9ItHyfaPFay6Cs/view?usp=share_link

PROPOSED PROJECT METHODOLOGY

PROJECT TASK PLAN

We will accomplish all items requested in the RFP through the following five activities or tasks. This table shows how the City's tasks are included in our plan and summarizes the optional task to conduct a Cost Allocation for IT services.

Matrix Task	Deliverables From City RFP
1. Project Start and Kick-Off Meeting	**5.B.4.1: Project Inception Report**
2. Perform Current State Assessment	**5.B.4.2 Current State Assessment Report:** Documenting the existing Information Technology operations process, including process maps, data analysis, and stakeholder feedback.
3. Stakeholder Survey and Meetings.	Data will inform gap analysis required as part of scope and inform recommendations made.
4. Best Practices and Comparative Review	**5.B.4.3 Benchmarking Report:** Comparing the City's processes to best practices in other cities, if needed.
5. Operational, Process and Staffing Analysis	Analysis will provide the findings and support for developing the recommendations contained in the final report.
6. Cost Allocation (optional task)	Development of a comprehensive cost allocation methodology to allocate IT Department costs to users based on industry standards, defensible metrics and allocation methodologies, calculation of actual allocation and development of a policy outlining cost allocation approach.
7. Final Report	**5.B.4.4 Recommendations Report:** Providing specific, actionable recommendations for improvement, including a cost-benefit analysis and implementation roadmap. In addition, provide rationale, methodology, analytical tools, and techniques used during the study to develop recommendations. **5.B.4.5 Final Presentation**: Summarizing the key findings and recommendations to City Management, City Council and Stakeholders.

TASK 1:   CREATE A PROJECT FRAMEWORK AND KICK-OFF MEETING

We will accomplish all items requested in the RFP through the following activities.

TASK 1: PROJECT INITIATION AND KICKOFF INTERVIEWS

Upon receiving notice to proceed, the Matrix project team will hold a project initiation meeting with key City of North Richland Hills staff to discuss the parameters and background for the operational efficiency

study of the North Richland Hills' IT Department. The primary purpose of the project kick-off meeting is to establish a positive rapport between the project team and City staff, ensuring a productive relationship throughout the assessment. The following tasks will be completed:

- We will meet with the City's Project Lead/Team to review administrative aspects of the project and ensure mutual understanding of timelines, key personnel, status meetings, and deliverables.

- Preliminary request for data. We will discuss with the City's project team a preliminary list of available data needed for the engagement and submit an initial data collection list.

- Identify the first round of staff and leadership interviews and schedule a project kick-off meeting (if desired) with key department staff. This project kick-off meeting will ensure that all staff have an opportunity to meet the project team, understand the process to be utilized during the engagement, hear about the project goals and objectives, and ask questions.

- Establish regularly scheduled status meetings (proposed bi-weekly) to review the project timeline and interim deliverables.

- Create a project inception report outlining our understanding, methodology, and final project schedule.

TASK RESULT

Introduction between project team and City staff, confirm project goals and schedule, identification of first round of staff interviews, and a preliminary data collection list.

TASK 2: DEVELOP A CURRENT STATE ASSESSMENT

To evaluate the organization and operations of the Information Technology operations in the City, we first need to understand the key issues impacting and shaping technology service requirements for the organization. To develop this perspective, we will conduct interviews with identified Information Technology Staff and key stakeholders from operating departments covering topics such as:

- Adequacy of service levels and perceived gaps in existing levels of service,

- Organizational changes that have been made in the past several years and perceptions of the impacts of these changes,

- Goals and objectives concerning delivery of services for IT,

- Adequacy of management systems and technology, and the various technology services provided within the District organization,

- Outsourcing philosophy of the department,

- Identification of relevant workload for staff involved in providing IT services.

These staff interviews allow us to get an understanding of the internal perception of its provision of services to the District. Next, we will develop a detailed current state assessment of the services the Information Technology staff provides through a series of interviews. Our focus will be on how services are delivered, staffed, managed, and integrated, as well as the costs associated with the delivery of those services, including the following topics:

- The current staffing structure and organization of the Information Technology department. This component will include a detailed assessment of current position descriptions and an inventory of the currently required skill sets. Where necessary, we will collaborate with the City to document the key skill sets and certifications of each IT staff member.

- Key operations such as technology being utilized, comprehensive inventory of software solutions, and workload information.

- Review the existing IT mission and vision, key policies and procedures, and service delivery approaches to understand the current service delivery approaches and standard operational procedures. This includes all operational practices, such as project management, redundancy, system upgrades, training, cybersecurity, and backup policies.

- Documentation and inventory of all key technology and software supported throughout the organization by developing a comprehensive inventory of all hardware and software solutions utilized in each department.

- Inventory all services provided internally within IT Department versus performed at departmental level.

- Current performance targets related to major service areas, including services provided under any current service level agreements.

- Document and validate all current processes for existing IT processes.

- Current costs of providing information technology services.

- Technology currently deployed throughout the City and the level of utilization.

The project team will prepare a summary current state assessment that presents our understanding of the current organization, staffing, and operations for information technology services. This assessment will be circulated among staff for comment to ensure its accuracy. Once completed and reviewed, it will serve as the basis for analysis conducted in subsequent tasks.

TASK RESULT

A current state assessment summarizing Information Technology operations, staffing, technology, processes and workload for the IT Department.

TASK 3: ASSESS CUSTOMER SATISFACTION WITH IT SERVICES AND SERVICE LEVELS.

This task will utilize an online survey to assess the current level of satisfaction with services provided by the Information Technology staff to operating departments and how well these services meet the needs of the City. This survey will ensure that the project team understands how the organization perceives the current service it provides. We will work with the City to identify the appropriate stakeholders, including operating department personnel and executive leadership, to be included in the survey effort.

Selected issues for input could include documenting information related to:

- The types, levels, and quality of each of the services provided by IT staff,

- Responsiveness of IT services,

- Acceptability of the existing turnaround time for requested service, including help desk, application development, acquisition of new systems, and system downtime.

- Ability of IT staff to understand and support operating department technology needs and requirements.

- Sufficiency of existing software solutions to meet operational needs.

- Key management and service issues such as systems planning and deployment.

In addition to the online survey, we will conduct two strategic planning sessions—one with representatives from operating departments and one with IT staff—to develop the desired business and technology needs and requirements for the future. These meetings will focus on identifying the strengths of current operations, the organization's future needs, and any necessary changes to service provision by Information Technology staff. The meeting with IT staff will also focus on clarifying and aligning the IT Department's mission, vision, and goals with the overall City strategic priorities.

We will focus on internal operations issues for the internal IT staff meeting, including governance structure, skill development, and business plans. Following these interviews and meetings, we will summarize the results of the interviews and survey, identifying the key issues and strengths of the IT Department.

TASK RESULT

Summary of customer feedback from the online survey and in-person focus group meetings, identifying key trends and issues related to the City's information technology services.

TASK 4: COMPARE NORTH RICHLAND HILLS' INFORMATION TECHNOLOGY OPERATIONS TO INDUSTRY BEST PRACTICES.

The purpose of this task is to evaluate the Information Technology services and approaches utilized by the City against best management practices in the industry. The best practices comparison would be comprehensive, covering all operational aspects of information technology operations, and provide a thorough gap analysis identifying where improvements are needed.

We will evaluate the City's information technology programs and practices against best practices in areas such as staffing, management, strategic planning, processes, and employee training. Additionally, we will evaluate specific technology practices such as network security and layout, disaster recovery, operational continuity plans, data management, data privacy, project management approaches, resiliency, and online services against industry best practices to provide a comprehensive gap analysis of the sufficiency of the City's information technology operations to meet organizational needs.

The best practice assessment will identify areas where the City meets or exceeds best practices. More importantly, it will identify areas where current gaps and shortcomings exist and present opportunities for improvement in existing operations. The issues identified in the best practice assessment will form the basis for many of the recommendations presented in the strategic plan. We will present the findings from this analysis in a workshop session with IT staff to gather their input before proceeding to the next task, which will develop the core elements of the analysis and recommendations.

As part of the best practices assessment, we will review existing policies and procedures and identify areas that do not comply with current recommended industry practices. This review will also identify policies or procedures that should be developed and adopted, if any, that are not in place.

TASK RESULT

An evaluation of the City's Informational Technology practices and resources compared to industry best practices with a detailed summary of issues identified from this assessment.

TASK 5: EVALUATE IT OPERATIONAL PRACTICES, PROCESSES, CUSTOMER SERVICE, AND STAFFING APPROACHES.

This analytical task focuses on ensuring that staffing resources and service levels are appropriate for the City to support organizational needs. It will utilize data and findings from the prior tasks and include an evaluation of workload, staff utilization, work practices, processes, technology use, and service levels related to Information Technology services.

The project team will focus on the following key issues and opportunity areas in developing staffing, organizational structure, and operational practices recommendations needed for the next five years:

- Development or refinement of an Information technology mission, strategic directions, needs, and goals, as well as identification of core services required by the organization. This will include clear delineation of the segregation and allocation of duties and responsibilities of the IT Department and operating/user departments to ensure each service and function is appropriately allocated in the overall City organizational structure.

- Create a "to-be" organization model, structure, and staff roles and responsibilities. This analysis will include recommendations for modifying existing job descriptions and skill set requirements for each position as needed to provide the best structure aligned with City service needs.

- In determining the future structure and staffing allocations, consideration will be given to the scalability and adaptability of the City's IT infrastructure to support evolving and future service delivery requirements. Specific staff numbers by position type will be recommended to align with the recommended service levels. We will develop the staffing allocation plan, taking succession planning into consideration, so that opportunities for career growth, cross-training, and provision of backup support are maximized within the recommended staffing structure. We will provide a transition plan that most effectively allows the City to implement the recommended structure.

- Identify necessary business processes and roles/responsibilities for developing a training needs assessment and plan.

- Create a customer service model of functional responsibility, advocacy, long-range planning, and ongoing support for the City's technology operations.

- Evaluate the optimal mix of in-house versus contracted activities, as well as the level of service and responsiveness required for recommended outsourced services.

- Evaluate help desk/customer service support and service delivery, including timeframes associated with service delivery.

- Evaluate resource allocation and usage related to the IT operation's services, including revenue sources and the overall budget.

- Identify modifications to key processes such as redundancy, resiliency, project management, and other critical processes to ensure they are aligned with future needs.

In conjunction with interviews, data collection, and the best practices assessment described in previous tasks, the project team will develop future state recommendations for the final report for Information Technology operations. This will include recommendations regarding organizational structure, governance, service provision approaches, staffing allocations, and changes in technology operational practices. Each strategic priority is recommended to include cost data regarding implementation costs, resources needed to maintain each year, and total cost of ownership data.

TASK RESULT

A summary of the identified improvement opportunities and proposed adjustments in processes, work practices, customer service, technology utilization, customer service, operations, staffing levels, and policies.

TASK 6: IT COST ALLOCATION (OPTIONAL TASK)

In this task, we will conduct a comprehensive review of the process, policies, and procedures involved in tracking and allocating the costs for IT services and develop a recommended cost allocation process and methodology. We will assess the current cost allocation methodology to determine if it adequately reflects industry standards and internal operational needs, and ensure it allocates costs transparently and equitably. Our approach will include the following efforts:

- **Identify current budget process, rates, and service levels:** The project team will work with City staff to understand the budget process and services currently being provided, as well as the current methodology for allocating the costs of IT services.

- **Determine allocation metrics:** The project team will work with City staff to review existing metrics utilized for allocating IT costs and discuss allocation alternatives and options providing the rationale for each alternative/option.

- **Develop rate recommendations:** Based on data collected and discussions with City staff, the project team will develop a recommended allocation methodology and calculate the corresponding allocations.

- **Policy and Procedure Development:** The project team will collaborate with City staff to develop an Information Technology Allocation policy and its associated procedures. These procedures will enable annual updates to the allocation methodology and facilitate clear explanations to customer departments of the methodology utilized in calculating their rates.

- **Information Technology Program funding:** This financial assessment will include an overall evaluation of both the capital replacement fund and the operating funds for information technology services. It will include all elements of these areas, including required annual funding, personnel costs, overhead allocations, management systems, administrative services, materials and supplies, and all contracted services. The financial analysis will also provide recommendations on the required reserves necessary to maintain the fund's fiscal health.

We will provide recommendations for the actual allocation, plus draft policies and procedures, and describe how they align with the City's financial planning approaches and policies.

TASK RESULT

A detailed Information Technology Cost Allocation framework and recommended allocations with supporting policies and procedures.

TASK 7: DEVELOP FINAL REPORT AND IMPLEMENTATION PLAN

Once the work tasks noted above have been completed, our analysis, findings, and conclusions will be documented and reviewed with City staff. The draft and final strategic plan will contain the following elements:

- The final version of the current state assessment, stakeholder and employee surveys, focus group meetings, and the findings from the best practices assessment are included.

- Detailed analysis of each identified improvement opportunity with strategic priorities identified.

- Recommended staffing allocations by number, position, and overall organizational structure for IT services.

- Recommended internal and outsourced services within the IT portfolio and recommendations related to the information technology operation's organizational systems, management systems, and strategic planning efforts.

- A multi-year cost summary of the implementation costs and ongoing resource requirements.

- Recommendations related to current program, service offerings, and policies and procedure modifications for each information technology service area.

Once staff and the Project Steering Committee have reviewed the draft Final Report and provided input, we will develop the final report. We will be available to present our findings, recommendations, and implementation plans to City management, City Council, and other key staff members involved.

TASK RESULT

The product of this task would be the draft and final report, along with an implementation plan.

METHODOLOGY AND TOOLS

This section includes an overview of our project methodology.

APPROACH

Our philosophy in providing consulting services is to provide a customized approach to address our client's unique issues and needs in a fact-based manner utilizing our proven methodologies and analytical approaches as summarized in the following graphic:

1 A principal of the firm is involved in every aspect of each study. For this engagement, Alan Pennington, President, will serve in this role as the project executive.

2 We approach our projects by gaining a firm grounding in formal and fact-based analytical methodologies.

3 Our projects are characterized by extensive input and interaction between the consultants and our clients' staff, management, and policy makers. This study will also include engagement with past customers and other identified key players.

4 We recognize that successfully serving clients requires more than simply providing the right answers. We provide our clients with practical solutions for implementing change.

5 We engage regularly with our clients to ensure that the project remains on time, the schedule is maintained, and we are accessible when needed.

Our place in the government consulting industry is based on our experience and tailored approach to meeting each client's unique needs.

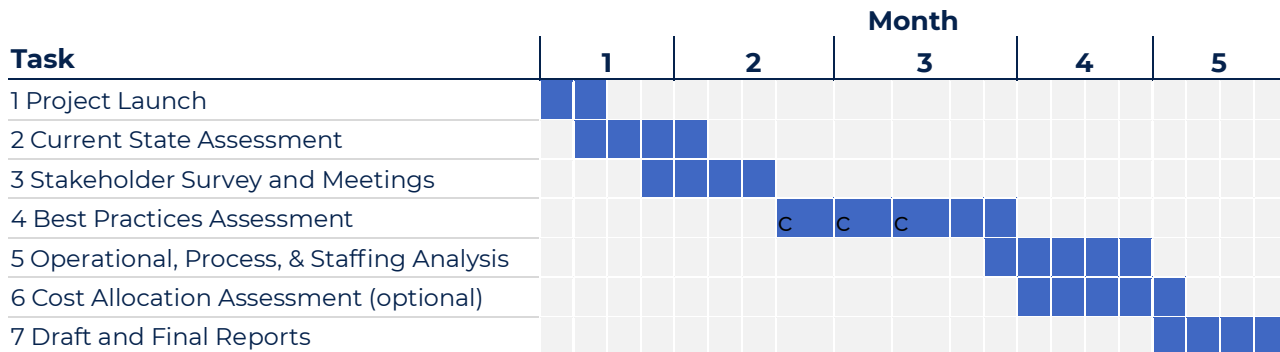## PROJECT MANAGEMENT AND CLIENT INTERACTION

We believe strongly in effectively managing each consulting engagement. As a result, we utilize formal project management techniques in our studies. These techniques include:

- All project work activities are defined in advance and tied to each project team member, as well as deliverables, schedule, and budget.

- Project team and client expectations and results are managed by developing and utilizing formal project schedules and reporting tools, and frequent review meetings are conducted with clients to review interim deliverables.

- Quality control measures, including project executive review of all interim and final products before they are delivered to the client.

- Bi-weekly (or alternative schedule) meetings with the City's project manager and/or project steering committee.

We recommend creating a small project committee to work with us on this project. This committee would review our findings, conclusions, and recommendations by reviewing each interim deliverable. We would conduct regularly scheduled progress meetings to report progress to date, problems or obstacles encountered, and planned project activities.

PROPOSED TIMELINE

The chart below outlines our proposed timeline for completing this project over five months.

Task	Month				
	1	2	3	4	5
1 Project Launch	■				
2 Current State Assessment	■				
3 Stakeholder Survey and Meetings		■			
4 Best Practices Assessment			C C C		
5 Operational, Process, & Staffing Analysis				■	
6 Cost Allocation Assessment (optional)				■	
7 Draft and Final Reports					■

All proposed timelines can be adjusted based on City staff priorities, preferences, and requirements. We are available to begin work within two weeks of a notice to proceed.

PRICE

We propose to conduct this engagement with a not-to-exceed price of **$57,000** (without optional cost allocation task) or **$69,080** (with the optional cost allocation task). The following table summarizes our proposed price by task.

Task	Project Manager / Lead Analyst	Senior Analyst	Analyst	Total Hours	Total Fee
1. Project Initiation	6	6	6	**18**	**$4,440**
2. Current State Assessment	4	24	24	**52**	**$10,160**
3. Stakeholder Survey and Meetings	4	12	16	**32**	**$6,480**
4. Best Practices Assessment	8	18	12	**38**	**$8,560**
5. Operational, Process, & Staffing Analysis	8	32	32	**72**	**$14,560**
6. IT Cost Allocation (optional task)	4	8	56	**68**	**$12,080**
7. Final Report and Implementation Plan	8	16	16	**40**	**$8,800**
Total Hours (without optional task)	**38**	**108**	**106**	**252**	
Total Hours (with optional task)	**42**	**116**	**162**	**320**	
Hourly Rate	**$380**	**$200**	**$160**		
Total Professional Fees (without optional task)	**$14,440**	**$21,600**	**$16,960**		**$53,000**
Total Professional Fees (with optional task)	**$15,960**	**$23,200**	**$25,920**		**$65,080**
Travel Expenses					**$4,000**
Total Project Cost (without optional task)					**$57,000**
Total Project Cost (with optional task)					**$69,080**

We have anticipated additional on-site time compared to how it was initially proposed to ensure necessary interaction with staff. We are open to alternative price structures for conducting this audit.